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1962/06/27

Mr. Bundy

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June 27, 1962

MEMORANDUM FOR

THE PRESIDENT

Laos

Since you will be seeing Averell tomorrow morning at 9:45 prior to his take off for Geneva, I thought you might want to look beforehand at some of the subjects he will want to discuss with you.

A. Economic Aid to Laos

It is recommended that the U.S. continue its project assistance to Laos in the immediate future. No further cash grants, however, are to be made until Souvanna Phouma has come to us for a general discussion of future U.S. economic assistance to his country. You will be kept informed of any such discussions and no decision involving cash grants will be made without your approval.

B. Open Matters Still to Be Decided by the Geneva Conference

1. SEATO

2. Private Armies

3. Civilian Technicians

4. Possible Communist demand for withdrawal of U.S. troops in Thailand.

The first three of the above issues are adequately and briefly described in the attached memoranda. The issue of the civilian technicians is considered an important one by the Department of Defense, particularly the JCS, ----------. The technicians are Philippine employees of ECOIL, a private company, whose function

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is to operate the logistic services of the FAR. They run the military warehousing and supply system. Our military feel that their withdrawal would have a serious effect on the EAR's logistic capability. It must also be borne in mind, however, that the other side must have similar people who handle PL/VM logistic problems. It may be difficult, therefore, to keep the Philippines in Laos without increasing the risk of encouraging the Viet Minh to keep more of their people in Laos.

The fourth subject referred to above (U.S. troops in Thailand) is not covered by a memorandum. Averell believes that it is possible the Communists may raise the issue of U.S. troops in Thailand. He does not propose to concede anything on this point, taking the position that the presence of our troops in Thailand is a matter between that country and ourselves and arises out of our mutual defense obligations.

I will be accompanying Averell to Geneva.

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